

NEW APPLICATION

Application and Petition for Competitive Reseller (



0000025311

ARIZONA CORPORATION COMMISSION

RECEIVED
FORM A
AZ CORP COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide
Competitive Intrastate Telecommunications Services as a Reseller

SEP 3 3 23 PM '98

Mail original plus 10 copies of completed application to:

Docket Control Center
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

If you have current applications pending in Arizona for
provision of reseller, AOS, or other telecommunication
services, please identify:

Type of Service: _____

Docket No.: _____ Date: _____

Type of Service: _____

Docket No.: _____ Date: _____

For Docket Control Only:
(Place Stamp Here)

Docket No. _____

Date Docketed _____

A. Company and Telecommunications Service Information

(A-1) The name, address, and telephone number of the applicant (company):

USC Telecom, Inc.
1250 Wood Branch Park Drive
Houston, Texas 77079-1212

P. O. Box 441085
Houston, Texas 77244-1085
(713) 556-4600 or (800) 725-5575

(A-2) If doing business (dba) under a name other than the applicant (company) name listed above,
specify:

(A-3) The name, address, telephone number, and facsimile number of the management contact:

Iretha Corkran
P. O. Box 441085
Houston, Texas 77244-1085
(281) 529-4689
(281) 529-4686 (facsimile)
(800) 725-5575 (toll free)

Application and Petition for Competitive Reseller CC&N

(A-4) The name, address, and telephone of the attorney, if any, representing the applicant:

(A-5) What type of legal entity is the applicant?

- ☐ Sole proprietorship
☐ Partnership: ☐ limited, ☐ general, ☐ Arizona, ☐ Foreign
☐ Limited liability company
☒ Corporation: ☐ "S", ☒ "C", ☐ non-profit, ☐ Arizona, ☒ Foreign
☐ Other, specify:

(A-6) Include "Attachment A." Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.

USC Telecom, Inc. is a wholly owned subsidiary of Equalnet Communications Corp. which is a publicly held corporation [holding company].

(A-7) 1. Is your company currently reselling telecommunication service in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona.
No

2. If the answer to 1. is "yes", identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-100(3), a copy of which is attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data are available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.

3. If the answer to 1. is "no", when does your company plan to begin reselling service in Arizona?

As soon as possible once the application process is completed.

Application and Petition for Competitive Reseller CC&N

- (A-8) Include "Attachment B." Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided, state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions including deposits, that will apply to provision of the service(s) by your company.

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the "illustrative Tariff/Price List Example" attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (See Rule R 14-2-1109(B)(2)). See Rule R 14-2-1110 for the procedures to make price list changes that result in rates that are higher than the tariff rate.

- (A-9) The geographic market to be served is:

☒ statewide.

☐ other, describe and provide a map depicting the area.

- (A-10) List the states in which you currently resell services similar to those you intend to resell in Arizona.

N/A

- (A-11) Provide the name, address, and telephone number of the company's complaint contact person.

Jennifer Thompson
USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085
(281) 529-4515 (direct) or (281) 529-4686 (facsimile)

- (A-12) Provide a list of states in which you have sought authority to resell telecommunications services and in which the state granted the authority with major changes and conditions or did not grant your application for those services. For each state listed, provide a copy of the commission's decision modifying or denying your application for authority to provide telecommunications services.

None

- (A-13) Has the company been granted authority to provide or resell telecommunications services in any state where subsequently the authority was revoked? If "yes", provide copies of the state regulatory commission's decision revoking its authority.

No

Application and Petition for Competitive Reseller CC&N

(A-14)	Has the company been or is the company currently involved in any formal complaint proceedings before any state or federal regulatory commission? If "yes", in which states is the company involved in proceedings and what is the substance of these complaints. Also, provide copies of commission orders that have resolved any of these complaints. No.
(A-15)	Has the applicant been involved in any civil or criminal investigations related to the delivery of telecommunications services within the last five years? If "yes", in which states has the applicant been involved in investigations and why is the applicant being investigated? No.
(A-16)	Has the applicant had judgment entered against it in any civil matter or been convicted of criminal acts related to the delivery of telecommunications services within the last five years? If yes, list the states where judgment or conviction was entered and provide a copy of the court order. No.
B. Technical Information	
(B-1)	<p>If your company is a <u>switchless</u> reseller, provide the name of the company or companies whose services you resell and skip to question (B-2). If you are not a switchless reseller, complete the remainder of this section.</p> <p>Include "Attachment C." Attachment C should provide the following information: A diagram of the applicant's basic call network used to complete Arizona intrastate telecommunications traffic. This diagram should show how a typical call is routed in both its originating and terminating ends (i.e. show the access network and call completion network).</p> <p>Also include on the diagram the carrier(s) used for each major network component and indicate if the carrier is facilities-based or not. If the carrier is not facilities-based, indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the applicant's intrastate telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the applicant's intrastate traffic).</p> <p>USC Telecom, Inc. intends to resell the services of interexchange carriers such as AT&T, Frontier, Sprint and WorldCom.</p>
(B-2)	<p>Will your customers be able to access alternative toll service providers or resellers via 1+ or 10XXX access, if your system becomes non-operational?</p> <p>Yes.</p>
C. Financial Information	
(C-1)	<p>Include "Attachment D." Attachment D should provide copies of the following audited financial information for the most recent two years for all Arizona operations. Check boxes indicating items attached.</p> <ul style="list-style-type: none"><input type="checkbox"/> current intrastate balance sheet<input type="checkbox"/> current intrastate income statement<input type="checkbox"/> current intrastate cash flow statement<input checked="" type="checkbox"/> other financial information evidencing financial resources.

Application and Petition for Competitive Reseller CC&N

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations related to the regulation of telecommunications services and that the company will abide by Arizona State law including the Arizona Corporation Commission Rules and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Iretha Corkran
(Signature of Authorized Representative)

August 28, 1998
(Date)

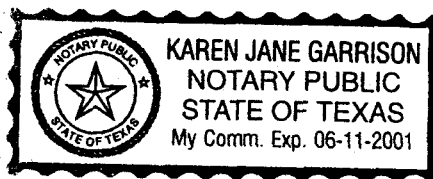
Iretha Corkran
(Printed Name of Authorized Representative)

Manager, Regulatory Affairs
(Title)

SUBSCRIBED AND SWORN to before me this 28th day of August, 1998

Karen Jane Garrison
NOTARY PUBLIC

My Commission Expires _____



Application and Petition for Competitive Reseller CC&N

ATTACHMENT A

Corporate Information

Name of Corporation: USC Telecom, Inc.

State of Incorporation: Delaware

Date of Incorporation: July 17, 1998

Authentication Number: 9204689

Registered Agent in Delaware:

The Corporation Trust Company
1209 Orange Street
Wilmington, DE 19801
County of Newcastle

Officers:

Mitchell H. Bodian	President
Dean H. Fisher	Vice President and Secretary

Director:

Mitchell H. Bodian

Share Ownership and Information:

Capital Stock Authorized: 1,000 Shares

Type: Common

Par Value: \$0.01

Share Ownership: 1,000 shares owned by Equalnet Communications Corp.,
[f/k/a EqualNet Holding Corp.] a Texas Corporation

COPY

Arizona Capitol Times

P.O. Box 2260

Phoenix, AZ 85002

RECEIVED

AUG 11 1998

ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

AFFIDAVIT OF PUBLICATION

STATE OF ARIZONA)
County of Maricopa) ss

DIANA CREIGHTON, being duly sworn, deposes and says: I am the President of the ARIZONA CAPITOL TIMES, a weekly newspaper of general circulation published at Phoenix, Maricopa County, Arizona, and that the

Application for Authority (Filed: 07/31/98)

of

USC TELECOM, INC.

is being published in said newspaper once a week for three successive and/or consecutive weeks, with publication dates as follows: August 14, 21 and 28, 1998.

Diana Creighton

Subscribed and sworn to before me this 17th day of August, 1998.

Cynthia A. Nash



JIM IRVIN
COMMISSIONER-CHAIRMAN

RENZ D. JENNINGS
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER



ARIZONA CORPORATION COMMISSION

JACK ROSE
EXECUTIVE SECRETARY

JOANNE C. MACDONNELL
DIRECTOR, CORPORATIONS DIVISION

NATIONAL REGISTERED AGENT
815 N. FIRST AVE.
SUITE #4
PHOENIX, AZ 85003

RE: USC TELECOM, INC.
File Number: F-0848049-7

We are pleased to notify you that your Application for Authority to transact business in Arizona was approved and filed on July 31, 1998.

You must publish a copy of your Application for Authority. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona, for three (3) consecutive publications. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, on the anniversary of the date of incorporation. Each year, a preprinted Annual Report Form will be mailed to you prior to the due date of the report.

If you have any questions or need further information, please contact us at (602) 542-3135 in Phoenix, (520) 628-6560 in Tucson, or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,

MARY BAINES
Examiner
Corporations Division
Arizona Corporation Commission

CF:07
Rev: 4/97

APPLICATION FOR AUTHORITY
TO TRANSACT BUSINESS IN ARIZONA

AZ. CORP. COMMISSION
DELIVERED

JUL 31 1998

BY

FILED BY MBaines
TERM _____
DATE 7-31-98
F-0848049-

USC Telecom, Inc.

A(n) Delaware CORPORATION
(State, Province or Country)

1. The exact name of the foreign corporation is

USC Telecom, Inc.

If the exact name of the foreign corporation is not available for use in this state, then the fictitious name adopted for use by the corporation in Arizona is:

(FN).

2. The name of the state, province or country in which the foreign corporation is incorporated is:

Delaware

3. The foreign corporation was incorporated on the 17th day of July, 19 98

and the period of its duration is perpetual.

4. The street address of the principal office of the foreign corporation in the state, province or country of its incorporation is:

1209 Orange Street

Wilmington, DE 19801

- 5.a. The name and street address of the statutory agent for the foreign corporation in Arizona is:

National Registered Agents, Inc.

815 N. First Avenue, Suite 4

Phoenix, AZ 85003

5.b. The street address of the known place of business of the foreign corporation in Arizona IF DIFFERENT from the street address of the statutory agent is:

6. The purpose of the corporation is to engage in any and all lawful business in which corporations may engage in the state, province or country under whose law the foreign corporation is incorporated, with the following limitations, if any: (If none, so state.)

None

7. The names and usual business addresses of the current directors and officers of the foreign corporation are: (Attach additional sheets if necessary.)

See Attached List, _____ [title]

_____, _____ [title]

_____, _____ [title]

_____, _____ [title]

8. The foreign corporation is authorized to issue 1,000 shares, itemized as follows:
(Attach additional sheets if necessary.)

1,000 shares of Common [class or series] stock at
_____ no par value or par value of \$.01 per share.

_____ shares of _____ [class or series] stock at
_____ no par value or par value of \$ _____ per share.

_____ shares of _____ [class or series] stock at
_____ no par value or par value of \$ _____ per share.

9. The foreign corporation has issued 1,000 shares, itemized as follows:
(Attach additional sheets if necessary.)

1,000 shares of Common [class or series] stock at
no par value or par value of \$.01 per share.

_____ shares of _____ [class or series] stock at
no par value or par value of \$ _____ per share.

_____ shares of _____ [class or series] stock at
no par value or par value of \$ _____ per share.

10. The character of business the foreign corporation initially intends to conduct in Arizona is:

Telecommunication services and any and all services ancillary thereto.

This application is accompanied by:

A Certificate of Disclosure containing the information set forth in Arizona Revised Statutes Section 10-202.D.

A certified copy of our articles of incorporation, all amendments (AZ Const. Art. XIV, §8) and a certificate of existence or document of similar import duly authenticated by the official having custody of corporate records in the state, province or country under whose laws we are incorporated (A.R.S. §10-1503.B).

The filing fee(s) (U.S.) made payable to the Arizona Corporation Commission.

DATED this 24 day of July, 1998.

USC Telecom, Inc.

[Name of Corporation]

Executed by _____

Mitchell H. Bodian

[print name]

President

[title]

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of this corporation effective this 30th day of July, 1998.

Anthony J. Alexander
Signature

Anthony J. Alexander, Vice President
[Print Name]

USC Telecom, Inc.

OFFICERS

Officer	Office Address	Title
Mitchell H. Bodian	1250 Wood Branch Park Dr. Houston, TX 77079-1212	President
Dean H. Fisher	1250 Wood Branch Park Dr. Houston, TX 77079-1212	V.P. & Secretary
Lance Hack	1250 Wood Branch Park Dr. Houston, TX 77079-1212	Treasurer & Asst. Secretary

DIRECTORS

Officer	Office Address	Title
Mitchell H. Bodian	1250 Wood Branch Park Dr. Houston, TX 77079-1212	Sole Director

Attention Corporate Officers

If you have the responsibility of collecting, accounting for, and paying over payroll taxes withheld from the wages and salaries of corporate employees, read on.

A principal benefit of incorporation is limiting an owner's liability to the amount of his/her capital investment. This limited liability may not apply in all circumstances.

Section 6672 of the Internal Revenue Code States that the liability for taxes withheld from the wages and salaries of corporate employees may be assessed against the corporate officer(s) or employee(s) found to be responsible for their collection and payment. The personal liability of the responsible officer or employee is not limited to the amount of capital investment.

There are other civil and criminal penalties in the law regarding filing, paying, depositing of employment taxes.

If you would like more information regarding this or any other federal tax issue, contact your local Internal Revenue Service office or call toll-free;

1-800-829-1040.

USC Telecom, Inc.
1250 Wood Branch Park Drive
Houston, Texas 77079-1212

August 28, 1998

VIA OVERNIGHT EXPRESS MAIL

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Re: USC Telecom, Inc. - Advice Letter Number 1
Application and Petition for Certificate of Convenience and Necessity

Pursuant to the Provisions of Arizona Corporation Commission Rules, Article 11: Competitive Telecommunications Services, R14-2-1103, USC Telecom, Inc. ("USC") files this Application and Petition for a Certificate of Convenience and Necessity. USC intends to operate as a reseller of telecommunications services throughout the State of Arizona.

USC is a newly formed Delaware corporation that filed application for its Certificate of Qualification on July 31, 1998 to transact business in the State of Arizona and published notice thereof for three consecutive weeks, with publication dates of August 14, 21 and 28. Copies of qualification documents are included in Attachment A to the Application.

Attachment B, includes a proposed tariff for USC Telecom, Inc. that sets forth initial inter-LATA and intra-LATA rates for services it proposes to provide to its customers throughout the state of Arizona. Attachment C is not applicable to USC since it will utilize the facilities of its underlying carriers.

USC Telecom, Inc., incorporated in Delaware on July 17, 1998, is a wholly-owned subsidiary of the holding corporation, Equalnet Communications Corp. The information regarding capitalization of subsidiaries is included in the Form 10-K enclosed. Attachment D includes an original Form 10-K, as Amended, for the fiscal year ended June 30, 1997. The Annual Report was filed with the Securities and Exchange Commission on behalf of EqualNet Holding Corp., (a Texas corporation) now known as Equalnet Communications Corp., since amending its Articles of Incorporation to change its name.

Docket Control Center
Arizona Corporation Commission
Telecommunications Division
August 28, 1998
Page 2

An original and ten (10) copies of the Application for Registration and attachments A through C are enclosed. *(One copy of Attachment D is enclosed.)* An additional copy of this filing is included with a self-addressed, stamped envelope. Please acknowledge, this registration by date stamping and returning the additional copy in the enclosed envelope.

USC Telecom, Inc. anticipates doing business in Arizona upon receipt of authorization by the Arizona Corporation Commission. If you should have questions about this filing, please contact me at (281) 529-4689 or, via facsimile, at (281) 529-4686.

Sincerely,

A handwritten signature in cursive script that reads "Iretha Corkran".

Iretha Corkran
Regulatory Affairs
USC Telecom, Inc.

enclosures

ATTACHMENT B

Proposed Tariff

TITLE SHEET**ARIZONA TELECOMMUNICATIONS TARIFF**

This tariff contains the descriptions, regulations and rates applicable to the furnishing of service and facilities for telecommunications services provided by USC Telecom, Inc. ("Company"), with principal offices at 1250 Wood Branch Park Drive, Houston, Texas 77079-1212, telephone number (281) 529-4600 or 1 (800) 725-5575 and customer service number (800) 525-9510. This tariff applies for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission (ACC) and copies may be inspected, during normal business hours, at the Company's principal place of business.

Contact: Iretha Corkran
Direct: (281) 529-4689
Facsimile: (281) 529-4686

Issued: August 29, 1998
Issued by:

Dean H. Fisher, Vice President
USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085
(800) 725-5575

Effective:

CHECK SHEET

Sheets 1 through 66 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheets. Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

SHEET	REVISION	SHEET	REVISION
1	Original	34	Original
2	Original	35	Original
3	Original	36	Original
4	Original	37	Original
5	Original	38	Original
6	Original	39	Original
7	Original	40	Original
8	Original	41	Original
9	Original	42	Original
10	Original	43	Original
11	Original	44	Original
12	Original	45	Original
13	Original	46	Original
14	Original	47	Original
15	Original	48	Original
16	Original	49	Original
17	Original	50	Original
18	Original	51	Original
19	Original	52	Original
20	Original	53	Original
21	Original	54	Original
22	Original	55	Original
23	Original	56	Original
24	Original	57	Original
25	Original	58	Original
26	Original	59	Original
27	Original	60	Original
28	Original	61	Original
29	Original	62	Original
30	Original	63	Original
31	Original	64	Original
32	Original	65	Original
33	Original	66	Original

Issued: August 29, 1998**Issued by:**

Dean H. Fisher, Vice President
USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085
(800) 725-5575

Effective:

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Issued: August 29, 1998
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Effective:

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- | | | |
|---|---|--|
| C | - | To signify changed regulation |
| D | - | Delete or discontinue |
| I | - | Change resulting in an increase to a customer's bill |
| M | - | Moved from another tariff location |
| N | - | New |
| R | - | Change resulting in a reduction to a customer's bill |
| T | - | Change in text or regulation but no change in rate or charge |

Issued: August 29, 1998

Issued by:

**Dean H. Fisher, Vice President
USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085
(800) 725-5575**

Effective:

TARIFF FORMAT**A. Sheet Numbering**

Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 8 and 9 would be 8.1.

B. Sheet Revision Numbers

Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file. For example, the 3rd revised sheet 8 cancels the 2nd revised sheet 8.

C. Paragraph Numbering Sequences

There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level.

2.
2.1
2.1.1.
2.1.1.A.
2.1.1.A.1.
2.1.1.A.1.(a)
2.1.1.A.1.(a).1.
2.1.1.A.1.(a).1.(i)
2.1.1.A.1.(a).1.(i).(1).

D. Check Sheets

When a tariff filing is made, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file.

Issued: August 29, 1998**Issued by:**

Dean H. Fisher, Vice President
USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085
(800) 725-5575

Effective:

SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.1. Technical Terms**

1 Plus (1+): InterLATA calling within the North American Numbering Plan may be completed by dialing 1 plus the area code plus the telephone number of the called party. IntraLATA calling may be completed by dialing an authorization code, then 1 plus the area code plus the telephone number.

0 Minus (0-): An operator assisted call where the calling party dials "0" (for operator) and does nothing more until an operator comes on line. The caller then states the nature of the call and the phone number or party he wants to reach.

Additional Period: The billing increment charged after the minimum period on a call.

Authorized User: A person, firm, corporation or any other entity authorized by the Customer to use or communicate over such services or facilities as may be provided by this tariff.

Base Rate: The standard rate for a telecommunications service from which time-of-day discounts, volume discounts and specialized pricing arrangements are figured.

Business Customer: A customer whose use of service is primarily or substantially of a professional, business, institutional, occupational or commercial nature.

Busy Line Interruption: Provides for operator interruption of a conversation in progress on a called station. A charge applies for each attempt to interrupt regardless of whether or not the called station releases the call. A Busy Line Verification must be made prior to a Busy Line Interruption.

Busy Line Verification: Provides operator assistance in determining whether there is conversation in progress on a called station.

Calling Card: A billing arrangement by which a call may be charged to an authorized Carrier's calling card account.

Called Station: The location of the phone number called. A station call is one placed to a particular phone number, as opposed to a Person-to-Person call, which is placed to a particular person.

Issued: August 29, 1998**Issued by:**

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(800) 725-5575

Effective:

SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.1. Technical Terms (Continued)**

Carrier: The underlying carrier that provides switches, lines, networks, operator assistance and directory assistance as specified in this tariff.

Channel: An electrical transmission path for communications between two points. A local channel is a private line which provides a communication path between a customer's premises and an interexchange carrier's central office. This is generally provided by the local exchange company, or may be provided by alternative (by-pass) arrangement.

Collect Call: Denotes a billing arrangement by which the charge for a message may be reversed provided the charge is accepted at the called service point. A collect call may be billed to a calling card or third party number.

Commercial Calling Card Call: Denotes a billing arrangement by which the charge for a message may be billed to commercial credit or calling card by the calling party.

Commission: Refers to Arizona Corporation Commission.

Company: Refers to USC Telecom, Inc.

Customer: Any person, firm, corporation or other entity that orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

Customer-Dialed Calling Card Station (See Station-to-Station)

Day: Rate period from 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Dedicated Access: Access to a long-distance network over dedicated private lines, analog or digital, reserved for the specific use of one organization

Dial Station Call: (See Station-to-Station)

Issued: August 29, 1998**Issued by:**

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USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085
(800) 725-5575

Effective:

SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.1. Technical Terms (Continued)**

Eight Hundred (800) Service: Toll-free calling service that enables callers to dial an 800 number at the expense of the Customer. 800 service is available over lines with either dedicated or switched access. Also known as inbound WATS.

End Users: Customers who directly use, rather than provide to others, telecommunications services.

Evening: Rate period from 5 PM up to but not including 11PM local time Sunday through Friday.

Exchange: A unit established by the Local Exchange Company for the administration of communications service in a specified area which usually embraces a city, town or village and environs. It consists of one or more central offices together with the associated plant used in furnishing communications service within that area.

Facilities: Transmission lines, switches and other physical components used to provide telephone service.

Holiday: Company acknowledged holidays for which reduced evening or non-peak rates are in effect are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Initial Period: The initial period denotes the first billing interval of time which will be billed at the rate specified for a connection between given service points. The initial period for different classes of service may differ as specified in the rate table for that service.

Interstate Call: Any call which is originated in one state and terminated within the boundaries of another state.

InterLATA: Communication that crosses the boundary between Local Access and Transport Areas. (*See LATA*)

IntraLATA: Communications within a given LATA.

Issued: August 29, 1998**Issued by:**

Dean H. Fisher, Vice President
USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085
(800) 725-5575

Effective:

SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.1. Technical Terms (Continued)**

Intrastate Call: Any call which is originated and terminated within the boundaries of the State of Arizona, regardless of whether such call crosses state boundaries prior to reaching it termination point.

Mileage: Airline miles between calling areas. The airline mileage distance between the origination and termination points of a telephone call.

Night/Weekend: The rate period from 11 PM up to but not including 8 AM local time Sunday through Saturday and from 8:00 AM up to but not including 11:00 PM local time Saturday and from 8:00 AM up to but not including 5:00 PM local time Sunday.

Operator Dialed Surcharge: A charge applied to Operator Station and Person-to-Person rated calls when the customer has the capability of dialing all the digits necessary to complete a call, but elects to dial the underlying carrier operator and requests that the operator dial the called station. The surcharge applies in addition to any applicable service charges.

The surcharge does not apply to:

- Calls where a customer cannot otherwise complete the call, due to defective equipment or trouble on the Underlying Carrier's facilities.
- Calls in which an Underlying Carrier operator places a call for a calling party who identifies himself/herself as being handicapped and unable to dial the call because of his/her handicap.
- Calls for which an Underlying Carrier does not have the technical capability to impose the surcharge, such as certain coin sent paid, hotel/motel sent paid, and time and charges calls.
- Calling Card calls.

Operator Assistance Service Charges: Charges which apply in addition to other rates as specified in the rate section of this tariff. Discounts as specified in this tariff do not apply to service charges. Only one service charge per message will apply.

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SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.1. Technical Terms (Continued)**

Person-to-Person: That service where the person originating the message specifies to the Underlying Carrier's operator, a particular person, service point, department, or office to be reached through a PBX attendant.

- When, after the service point or PBX called has been reached and while the connection remains established, the person originating the message requests or agrees to talk to any person other than the person specified, or to any other service point, department or office to be reached through a PBX attendant, the classification of the message remains Person-to-Person.
- When the person originating the message wishes arrangements made in advance with a particular party or service point for the establishment of a connection at a specified time (appointment call) the message is classified as Person-to-Person. The Company does not undertake, in connection with person-to-person service, to bring to a service point a called person who cannot be reached at a service point connected to the telecommunications network.

Rate Center: A specific geographic point used in determining mileage.

Real-Time-Rated: Refers to the actual time during which a physical process transpires. For purposes of this tariff, Real-Time-Rated calls are those for which the Underlying Carrier's operator furnishes time and/or charges at the request of the caller.

Residential Customer: A customer whose use of service is primarily of a domestic nature.

Resold Services: Services obtained from another carrier for resale to the public for profit

Service Point: When used in reference to customer-premises equipment, denotes the point on the customer's premises where channels provided by or furnished to the customer are terminated in switching equipment used, in the normal mode of operation, for communications with on-site service points or customer premises equipment.

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SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.1. Technical Terms (Continued)**

Station-to-Station: That service where the person originating the message dials the phone number desired or gives to the Underlying Carrier's operator the telephone number of the desired service point, PBX or PBX service point, which is reached directly rather than through a PBX attendant, or gives only the name and address under which the number of the desired service point or PBX is listed and does not specify a particular person to be reached, nor a particular service point, department, or office to be reached through a PBX attendant.

Four classes of station-to-station services are offered as follows:

1. **"Dial Station"** rates apply when the person originating the message from a station other than a public or semi-public coin telephone dials the telephone number desired and the message is completed without the assistance of an operator, and the message is not billed to a number other than the originating telephone number except: when an operator records the originating telephone number where no automatic recording equipment is available; when an operator reaches the called telephone number where facilities are not available for dial completion; when an operator places a message for a calling party who identifies himself as being handicapped and unable to dial the message because of his handicap; and when an operator re-establishes a message which has been interrupted after the called number has been reached; then the Dial Station Rate shall apply.
2. **"Customer Dialed Calling Card Station"** rates apply when the person originating the message:
 - A. Dials the telephone number desired and completes the message without the assistance of an underlying carrier operator and the message is billed to a Calling Card, or
 - B. Dials the telephone number desired and operator assistance is limited to recording the Calling Card number for billing purposes, or
 - C. Dials the operator and places a Calling Card station message when equipment capability precludes any of the foregoing.

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SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.1. Technical Terms (Continued)**

3. **"Operator Dialed Calling Card Station"** rates apply when the customer dials the appropriate operator code (e.g., 00, or 10288,0) and requests that the operator complete the call by dialing the called telephone number and the calling card number to be used for billing purposes.
4. **"Operator Station"** rates apply when calls are completed with the assistance of an underlying carrier operator, except as specified for the Dial Station, Customer Dialed Calling Card Station, Operator Dialed Calling Card Station, Person-to-Person, and Real-Time-Rated classes of service. Operator Station rates apply to calls which are billed to a different telephone number (e.g., collect, bill to a third number) or a calling card.

Switched Access: Telephone-company-provided exchange access services that offer switched interconnections between local telephone subscribers and long distance companies. Switched access is used by long distance companies for origination and completion of ordinary user-dialed long distance calls.

Tariff: The set of rules, procedures, services, and prices under which a carrier is licensed to operate.

Voice Grade: A channel used primarily for speech transmission, but also suitable for digital or analog data or facsimile; generally with an analog frequency range between 300 and 3000 Hz or a digital bandwidth of 64 Kbps.

Underlying Carrier: The provider of telecommunications services whose network is being utilized to transmit and receive the Customer's telecommunications traffic.

V&H Coordinates: Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating mileage banded calls.

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SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.2. Acronyms**

bps: Bits per second; the basic measuring unit of speed in a digital transmission system; the number of bits that transmission facility can convey between a sending location and a receiving location in one second.

CO : *Central Office:* A switching unit in a telecommunications system, that provides service to the general public and has the necessary equipment and operating arrangements for terminating and interconnecting customer lines and trunks or trunks only.

DS-0: *Digital Signal Level Zero:* A single digital 64 Kbps, pulse-code modulated, transmission channel; the starting point for a digital multiplexing hierarchy.

DS-1: *Digital Signal Level One:* A 1.544 Mbps digital signal comprised of 24 multiplexed 64 Kbps digital channels.

FGD: *Feature Group D:* Access service providing trunk sided access to telephone company end office switches with an associated 10XXX access code for customer's use in originating and terminating communications.

FX: *Foreign Exchange:* A telephony company exchange service that uses a private line to connect a subscriber's local central office with a distant CO in a community outside the subscriber's local calling area. With FX service, a phone number in the distant CO is made a part of the subscriber's local service. FX service is used by customers who place and receive large numbers of calls to and from a particular distant location.

Kbps: Thousands of bits per second; a measurement of speed in a digital transmission system. (*See bps*)

LATA: *Local Access Transport Area:* A geographic boundary within which the LEC provides communications services. Multiple LECs may provide services within the same LATA.

LEC: *Local Exchange Carrier:* A carrier that provides service to a line grouping that can uniquely be identified by an area code and first three digits of a phone number. In the context of the divestiture decree, local exchange is a synonym for intraLATA.

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SECTION 1 - TECHNICAL TERMS AND ACRONYMS**1.2. Acronyms**

Mbps: Millions of bits per second. (*See bps*)

PBX: *Private Branch Exchange:* A private switching system on the customer's premises which provides internal telephone communications between stations of the system, as well as between these stations and the external telephone network.

SAL: *Special Access Line:* The physical circuit installed by a local telephone company to provide a non-switched connection between a long distance company's point of presence and an end-user location.

T-1: A type of digital carrier system transmitting voice or data at 1.544 Mbps. A T-1 carrier can handle up to 24 multiplexed 64 Kbps digital voice/data channels. A T-1 carrier system can use metallic cable, microwave radio or optical fiber as transmission media.

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SECTION 2 - TERMS AND CONDITIONS**2.1. Undertaking of Company**

- 2.1.1. The Company's services are furnished to business or residential customers for intrastate telecommunications services originating at specified points within the state. Rates, terms and conditions for the Company's telecommunications service are set forth in this tariff.
- 2.1.2. The Company interfaces between the end user, the LEC, and any Underlying Carrier who may provision the communication services described herein in accordance with the terms and conditions set forth in this tariff. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to the Carrier's network.
- 2.1.3. Services and facilities are provided on a monthly basis and are available twenty-four hours per day, seven days per week.

2.2. Limitations

- 2.2.1. Service is offered subject to the availability of the necessary facilities and equipment and the provisions of this tariff.
- 2.2.2. The Company reserves the right to discontinue furnishing service, or limit the use of service when necessitated by conditions beyond its control; or when the Customer is using service in violation of the law or the provisions of this tariff.
- 2.2.3. In the event prior written permission from the Company is given for any assignment or transfer, all regulations and conditions contained in the tariff shall apply to all such permitted assignees or transferees.

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SECTION 2 - TERMS AND CONDITIONS**2.2. Limitations (Continued)**

- 2.2.4. The service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of service includes but is not limited to:
- A. The use of the service of the Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the charge applicable for service;
 - B. The obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain service by rearranging, tampering with, or making connection with any service components of the Underlying Carrier, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the regular charge for such service or in any other manner not consented to or allowed by either the Company or the Underlying Carrier;
 - C. The use of the Company's services for transmitting a message or messages, anonymous or otherwise, if done in a manner that could reasonably be expected to frighten, abuse, torment, or harass another;
 - D. The use of profane or obscene language;
 - E. The use of the service in such a manner as to interfere unreasonably with use of the service by any other Customers.
- 2.2.5. The Company does not undertake to transmit messages, but furnishes the use of its services to its Customers for telecommunications.
- 2.2.6. The Company does not offer services for resale by a Customer unless such Customer has been granted a Certificate of Convenience and Necessity by the Commission to provide such services in the State of Arizona.
- 2.2.7. All services provided under this tariff are directly or indirectly controlled by the Company and the Customer may not transfer or assign the use of service without the express written consent of the Company.

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SECTION 2 - TERMS AND CONDITIONS**2.3. Transfer or Assignment**

- 2.3.1. After obtaining the Company's written consent, the Customer of record may assign or transfer the use of service where there is no interruption or physical relocation. All terms and provisions contained in this tariff will apply to any assignee or transferee. Services provided by the Company may not be transferred or assigned to a new Customer unless the following conditions have been met.
- A. The Customer of record (assignor Customer) requests such assignment or transfer in writing at least forty-five (45) days prior to the effective date of any requested assignment or transfer.
 - B. The new Customer (assignee Customer) notifies the Company in writing that it agrees to assume all outstanding obligations of the former Customer for use of the Company's services. These obligations include all outstanding indebtedness for the use of the Company's service. Consent to such transfer or assignment will not be unreasonably withheld.
 - C. Prior written consent of the Company is secured. The Company agrees to respond to a request to assign or transfer to another Customer within thirty (30) days of receipt of the request.
- 2.3.2. Any permitted transfer or assignment of the Company's service will not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.
- 2.3.3. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

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SECTION 2 - TERMS AND CONDITIONS

2.4. Use of Service

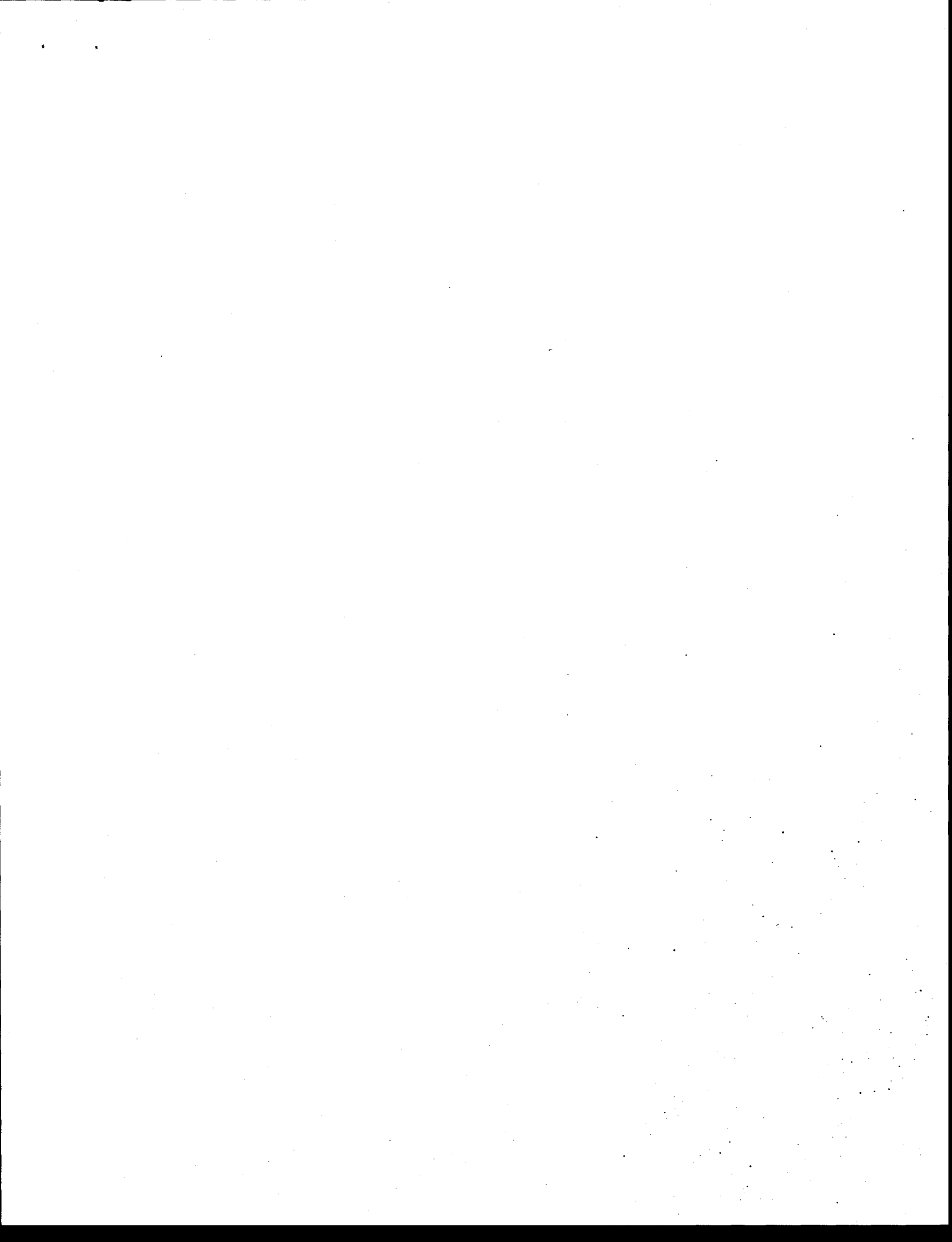
- 2.4.1. The Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of such services.
- 2.4.2. The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another, or in such a way as to unreasonably interfere with use by others, is prohibited.
- 2.4.3. The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, false credit cards or false Phone Cards of the Company's or false numbers of such cards, is prohibited.
- 2.4.4. Resale of the Company's services by Customers is prohibited unless and until the Customer has provided the Company with proof that the Customer has been granted a Certificate of Public Convenience and Necessity to provide such service(s) in the State of Arizona.
- 2.4.5. The Company's service is available for use twenty-four (24) hours per day, seven days per week.
- 2.4.6. The Company does not transmit messages pursuant to the tariff, but its services may be used for that purpose.
- 2.4.7. The Company's service(s) may be denied for nonpayment of charges or for other violations of this tariff.

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SECTION 2 - TERMS AND CONDITIONS**2.5. Liabilities of the Company**

- 2.5.1. The liability of the Company and its Underlying Carriers to the Customer for damages arising out of mistakes, interruptions, omissions, delay, errors, or defects in transmission which occur in the course of furnishing service(s) or facilities in no event shall exceed an amount equivalent to the proportionate charge applicable under this tariff for the period during which the faults in transmission occur.
- 2.5.2. The Company and its Underlying Carriers shall not be liable for claim or loss, expense or damage, including indirect, special, consequential or punitive loss or damage of any kind, including lost profits, for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff regardless of the cause or foreseeability thereof.
- 2.5.3. The Company will make no refund of overpayment by a Customer unless the claim for overpayment, together with proper evidence, is submitted within one (1) year from the date of alleged overpayment unless billing records prepared by the Company can be produced which would justify a credit beyond one year.
- 2.5.4. The Company and its Underlying Carriers shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service(s) which is not the direct result of the Company's negligence.
- 2.5.5. The Company and/or its Underlying Carriers shall not be liable for defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right or any other injury to any person, property or entity arising out of the material, data information or other content revealed to, transmitted or used by the End User or Customer under this tariff or for any act or omission of the End User or Customer.
- 2.5.6. The Company and/or its Underlying Carriers shall not be liable for unlawful use of the Company's services by an unauthorized person, i.e., one not a Customer or designated End User of the Customer.

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SECTION 2 - TERMS AND CONDITIONS**2.5. Liabilities of the Company**

- 2.5.7. The Company and/or its Underlying Carriers shall not be liable for any business acts of the Customer or End User, whether or not the practices are deceptive in marketing, advertising, provision of services or for similar operations.
- 2.5.8. The Customer shall indemnify and hold the Company and/or its Underlying Carriers harmless from and against any damages, costs, expenses, including attorney's fees, that the Company and/or its Underlying Carriers may incur in connection with Customer's or End User's failure to comply with this section's provisions or arising out of any act or omission of the Customer or End User in connection with service provided by the Company and/or its Underlying Carriers.
- 2.5.9. The applicable terms, rates and conditions specified in this tariff constitute the only agreement between the parties with respect to the service(s) to which the Customer has subscribed. Statements (whether written or oral) may have been made about the service(s) specified in this tariff. Such statements, however, do not constitute warranties, shall not be relied upon by the Customer and are not part of the parties' relationship. All prior agreements, proposals, representations or understandings concerning the service(s) are also deemed superseded upon the Customer's subscription. The Customer shall have all of the rights and remedies described herein as belonging to Customer, but only such rights and remedies.
- 2.5.10. The applicable tariff sections constitute the complete and exclusive expression of the parties' relationship. These tariff provisions may only be modified by: (1) a subsequent tariff filing; or (2) a written agreement, signed by an authorized Company representative, who identifies both the tariff provision being modified or superseded, if applicable, and the specific nature of the change.
- 2.5.11. All implied warranties, including the implied warranty of merchantability or fitness for any particular purpose, are disclaimed. The Company and/or its Underlying Carrier do not warrant that the service(s) are fit for any particular purpose of the Customer. The Company and/or its Underlying Carrier make no warranties with respect to the service(s) other than that the service(s) will conform to the description contained in this tariff

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SECTION 2 - TERMS AND CONDITIONS**2.6 Deposits and Interest**

The Company's deposit plan includes criteria for residential and nonresidential Customers. The nonresidential plan conforms to the following except for 2.6.1, 2.6.2, 2.6.3, and 2.6.10.

- 2.6.1 The Company shall not require a deposit of a residential Customer who has received the same or similar type of classification of service for twelve (12) consecutive months and service was not terminated for nonpayment nor was payment late more than twice nor was a check for payment dishonored. The twelve (12) months service period shall have been within eighteen (18) months prior to the application for new service.
- 2.6.2 Although the Company does not normally collect deposits from its Customers, deposits may be required from Customers whose credit history is unacceptable or unavailable. The amount of the deposit shall not exceed an amount equal to two (2) months toll charges determined by actual or anticipated usage. The Company plan may allow Customers to pay deposits in installments.
- 2.6.3. A present Customer may be required to post a deposit as a condition of continued service if undisputed charges have become delinquent, with delinquent meaning a payment not received on or before the due date as posted on the bill for the Company's service, in two (2) out of the last twelve (12) billing periods or if the Customer has had service disconnected during the last twelve (12) months or has presented a check subsequently dishonored.
- 2.6.4. Interest on cash deposits shall be paid by the Company at no less than the rate required by local law or regulations.
- 2.6.5. If refund of a deposit is made within thirty (30) days of receipt of deposit, no interest payment is required. If the Company retains the deposit more than thirty (30) days, payment of interest shall be made retroactive to the date of receipt of the deposit. No interest shall accrue on a deposit after discontinuance of service.

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SECTION 2 - TERMS AND CONDITIONS

2.6 Deposits and Interest (Continued)

- 2.6.6. The Company shall provide payment of accrued interest for all Customers annually by negotiable instrument or by credit against current billing.
- 2.6.7. The deposit shall cease to draw interest on the date it is returned or credited to the Customer's account.
- 2.6.8. The amount of the deposit, with accrued interest, shall be applied to any unpaid charges at the time of a discontinuance of services. The balance, if any, shall be returned to the Customer within thirty (30) days after settlement of the Customer's account, either in person or by mailing it to the Customer's last known address.

2.7. Advance Payments

The Company does not take advance payments from the Customer.

2.8. Billing and Billing Disputes

- 2.8.1. Billing to Customers will be scheduled monthly. Usage charges are billed in arrears. Recurring fixed charges are billed monthly in advance. A bill will be considered rendered to the Customer when deposited in the United States mail with postage prepaid. If the delivery is by other than United States mail, the bill will be considered rendered when delivered to the last known address of the party responsible for payment.
- 2.8.2. Payment is due by the due date printed on the bill. Payments are sent to the address listed on the bill.
- 2.8.3. If a Customer's bill is not paid by the due date printed on the bill, the Company may impose a late charge on the delinquent amount of 3% per month on the unpaid balance, or the maximum allowable under state law.

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SECTION 2 - TERMS AND CONDITIONS**2.8. Billing and Billing Disputes (Continued)**

- 2.8.4. The Customer is responsible for payment of all charges furnished to the Customer's account, including: (1) all calls placed from the Customer's location, (2) all calls placed using the Customer's equipment, and (3) all calls placed using the Customer's authorization code(s) or personal identification code(s), whether expressly authorized by the Customer or not. All charges due by the Customer are payable to the Company or to the Company's authorized billing agent. Invoices are conclusively presumed to be accurate unless the Customer notifies the Company within thirty (30) days from the invoice date of any errors or discrepancies.
- 2.8.5. The security of the Customer's Authorization Codes, if any, is the responsibility of the Customer. The Customer shall not, however, be responsible for charges in connection with the unauthorized use of Authorization Codes arising after the Customer notifies the Company of loss, theft, or other breach of security of such Authorization Codes.
- 2.8.6. Any objection to billed charges should be reported to the Company as soon as possible. Questions regarding the Company's services or charges assessed to a Customer's bill may be directed to the Company's Customer Service Department toll-free at (800) 525-9510. The Company shall investigate the particular case and report the results to the Customer.
- 2.8.7. During the period that the disputed amount is under investigation, the Company shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, the Company may discontinue service. In the event the dispute is not resolved, the Company shall inform the Customer that the Customer may utilize the complaint procedures of the Arizona Corporation Commission. The Company shall provide the Customer with the following information:

Arizona Corporation Commission, Utility Division
1200 W. Washington Street, Suite 201
Phoenix, Arizona 85007

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SECTION 2 - TERMS AND CONDITIONS**2.9. Adjustment for Taxes and Fees**

The Customer is responsible for payment of any sales, use, gross receipts, excise or other local, state and federal taxes, charges or assessments, however designated (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of the Company's services.

2.9.2. Other taxes, charges and the regulatory assessments shall be identified in the aggregate on the Customer's bill and shall not be included in the quoted rate(s).

2.9.3. Such taxes, charges, and assessments shall be billed to the Customers receiving service(s) within the territorial limits of such state, county, city or other taxing authority. Such billing shall allocate the tax, charge and/or assessment among Customers uniformly on the basis of each Customer's monthly charges for the types of service made subject to such tax, charge and/or assessment.

2.10. Equipment

2.10.1. The Company's service(s) may be used with or terminated in Customer-provided terminal equipment or Customer-Provided telecommunications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer.

2.10.2. The Customer is responsible for all costs incurred at its premises, including personnel, use of equipment such as wiring, electrical power and the like. Equipment used shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

2.11. Connection and Termination

Service is connected upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

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SECTION 2 - TERMS AND CONDITIONS

2.12. Payment for Service

2.12.1. All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a LEC, credit card company, or other billing service. The terms and conditions for billing, payment and collection, including without limitation, any late payment, charge, specified in the LEC's local exchange service tariff shall apply to charges of the Company when the LEC serves as the billing agent for the Company or buys the Company's accounts receivable. Terms of payment shall be according to the rules and regulations of the agency, but must comply with the Commission's rules and regulations.

2.12.2. Adjustments to the Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

2.12.3. The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an Authorized User of the Customer by the Company.

2.13. Returned Check Charge

Whenever a check or draft presented for payment of service is not accepted by the institution on which it is written, a returned check charge shall be applied in the amount of \$15.00 in addition to any bank charge for a dishonored check. This charge applies each time a check is returned to the Company by a bank for insufficient funds.

2.14. Cancellation of Service By Customer

A Customer may cancel service by providing written or verbal notice to the Company.

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SECTION 2 - TERMS AND CONDITIONS**2.15. Interexchange Interconnection for Resale**

Service(s) furnished by the Company will be connected with the services or facilities of an underlying carrier. Such service(s) or facilities are provided under the terms, rates and conditions of this tariff. The Customer is responsible for all charges billed by the Company or its billing agent for use in connection with the Company's service.

2.16. Denial or Termination of Service

2.16.1. Service may be refused or terminated for any of the following reasons:

- A. Nonpayment of a bill within the period prescribed in the Company's tariff.
- B. Violation of or noncompliance with any provision of law, Commission rules and regulations or the Company's approved tariffs.
- C. Excessive or improper use of telecommunications services, or used in such manner as to interfere with reasonable service to other Customers.

2.16.2. The Company shall provide documentation to the prospective Customer or current Customer stating the reason(s) for denial or termination of service.

2.17. Disconnection and Notice

2.17.1. When service to a Customer is disconnected for nonpayment of a bill for services after a reasonable time, the Company shall give at least five (5) days written notice to the Customer of the Company's intent to discontinue service. Notice shall be mailed by the Company to the Customer's address. Notice will be deemed given to the Customer two (2) days after mailing by the Company.

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SECTION 2 - TERMS AND CONDITIONS

2.17. Disconnection and Notice (Continued)

2.17.2. Notices to the Customer shall contain the following information:

- A. Name, address, and telephone number of Customer.
- B. Statement of reason for proposed discontinuance of service.
- C. The date on or after which service will be discontinued unless appropriate action is taken.
- D. The telephone number of the Company where the Customer may make an inquiry.
- E. Charges for reconnection.
- F. The address and telephone number of the Commission's Consumer Services Division.

2.17.3. The Company shall not be required to give the written notice provided for in situations where the Company has evidence of fraudulent or illegal use of the Company's services, which if allowed to continue, would present a high risk of financial loss to the Company.

2.17.4. The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Account codes when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

2.17.5. Personal Identification Numbers or Codes are issued only by the Company to its Customers and may not be sold or otherwise distributed without the written consent of the Company. Any unauthorized or unlawful use of such numbers will result in the immediate termination of service without notice.

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SECTION 2 - TERMS AND CONDITIONS**2.18. Refunds or Credits for Interruption of Service**

The Customer shall be credited for an interruption of two hours or more at the rate of $1/720^{\text{th}}$ of the total monthly charge (if any) for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" = outage time in hours

"B" = total monthly charge for affected facility, where applicable

2.19. Inspection, Testing and Adjustment

Upon reasonable notice, the facilities/equipment provided by the Underlying Carrier shall be made available to the Underlying Carrier for tests and adjustments as may be deemed necessary by the Underlying Carrier for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.20. Customer Service

Customer Relations Representatives may be reached at (800) 525-9510 to assist with billing and service inquiries Monday through Friday from 7:00 AM to 6:00 PM CST. If these times are inconvenient for the Customer, the Company has available a voice-mail system which is checked regularly throughout the week. The Customer's call will be returned either that day or early morning of the next business day.

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SECTION 2 - TERMS AND CONDITIONS**2.21. Billing for Calls**

Billing for calls placed over the network is based in part on the duration of the call as follows, unless otherwise specified in this tariff:

- 2.21.1. The initial period is the length of a call for minimum billing purposes. The initial period is defined in the service description for each rate schedule of this tariff.
- 2.21.2. The additional period is the rate element used to bill chargeable time when a call continues beyond the initial period. The additional period starts when the initial period ends. Additional period rates apply to any fraction of the time period for chargeable time which continues beyond the initial period. The additional period varies by rate schedule as specified in this tariff.
- 2.21.3. Chargeable time for all calls will begin when the local exchange company signals that the called party has answered. Chargeable time ends when one of the parties disconnects from the call, as signaled by the local carrier.
- 2.21.4. Calls are billed based on the rate in effect at the time the call begins. Calls that cross rate period boundaries are billed the rate in effect at the beginning of the call for the duration of the call.
- 2.21.5. There are no charges for incomplete calls. When a Customer indicates that he/she was billed for an incomplete call, the Company will reasonably issue credit for the call.
- 2.21.6. Time-of-day designations are used in this tariff to indicate rate period boundaries at the point of origination. Rate periods begin at the first time-of-day designation and continue up to but not including the second time-of-day designation. Time-of-day rate periods are defined in the individual rate schedules contained in this tariff.

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SECTION 2 - TERMS AND CONDITIONS**2.22. Time of Day Rate Periods**

Rate Application Periods are as follows unless specified otherwise in this tariff:

	MON.	TUES.	WED.	THURS.	FRI.	SAT.	SUN.
8:00 A.M.TO 5:00 P.M.*	DAY RATE PERIOD					EVE. RATE PD.	
5:00 P.M. TO 11:00 P.M.*	EVENING RATE PERIOD						
11:00 P.M. TO 8:00 A.M.*	NIGHT AND WEEKEND RATE PERIOD						

*Up to but not including.

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SECTION 2 - TERMS AND CONDITIONS**2.23. Timing Calls**

- 2.23.1. Call timing begins when the called party answers the call (i.e., when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection
- 2.23.2. On Dial Station, Customer-Dialed Calling Card Station, Operator-Dialed Calling Card Station, Operator Station or Real-Time-Rated Operator Station messages, chargeable time begins when connection is established between the calling and the called service point.
- 2.23.3. On Person-to-Person or Real-Time-Rated Person-To-Person messages, chargeable time begins when connection is established between the calling person and the particular person or service point specified or an agreed alternate.
- 2.23.4. Chargeable time does not include time lost because of faults or defects in the service.
- 2.23.5. Chargeable time ends when the calling service point disconnects, thereby releasing the network connection. If the called service point disconnects but the calling service point does not, chargeable time ends when the network connection is released either by automatic timing equipment in the telephone network or by the operator.
- 2.23.6. When the exchange telephone service used is directly connected (i.e., not connected through a multiline terminating system) at a Customer's premises to a communications system, chargeable time for all classes of messages begins when a message from the telecommunication network terminates in or passes through the first multiline terminating system or terminal equipment on the communications system.

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SECTION 2 - TERMS AND CONDITIONS**2.24. Calculation of Distance**

Usage charges for all mileage sensitive services are based on the airline distance between the rate centers for the central office locations associated with the originating and terminating points of the call. The distance between the originating and terminating points is calculated by using the vertical "V" and horizontal "H" coordinates in the following manner:

Step 1 - Obtain the "V" and "H" coordinates of the origination and the destination points.

Step 2 - Obtain the difference between the "V" coordinates of each of the rate centers. Obtain the difference between the "H" coordinates.

Step 3 - Square each of the differences obtained in Step 2.

Step 4 - Add the square of the "V" difference to the square of the "H" difference obtained in Step 3.

Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction results. This is the V&H mileage distance between the originating and terminating points of the call. The formula is as follows:

$$\text{Mileage} = \sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

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2.25. Holidays and Rates

Company acknowledged holidays for which reduced evening or non-peak rates are in effect are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

2.26. Minimum Call Completion Rate

A Customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than ninety-nine percent (99%) during peak use periods for all Feature Group D services ("1+" dialing).

2.27. Availability of Service

Service is available twenty-four (24) hours per day, seven (7) days a week from the Customer's premises.

2.28. Tariffs of Underlying Carriers

The Customer shall comply with applicable tariffs of the Company's Underlying Carriers including, but not limited to, those provisions pertaining to the Customer's use of proper equipment to be used in conjunction with the Underlying Carrier's network, the Customer's obligations to report trouble with the network, etc.

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SECTION 3 - DESCRIPTION OF SERVICE**3.1. Service Offerings****3.1.1. Domestic Advantage Switched Service**

- Access to Domestic Advantage Service is via switched outbound or inbound origination.
- Minimum call duration for billing purposes is six (6) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- Volume discounts and term plans may apply.

3.1.2. Domestic Advantage Operator Services

The following operator services are furnished to customers by operators of the Underlying Carriers. Access to operator services is identical to access described in the Underlying Carriers' tariffs.

- Directory Assistance
- Operator-Dialed Company/LEC/Commercial Calling Card
- Operator-Assisted Services
 - Collect
 - Real-Time-Rated
 - Billed to Third Party
- Person-to-Person
- Operator-Dialed Surcharge
- Customer-Dialed Company Calling Card
- Customer-Dialed LEC/Commercial Calling Card

3.1.3. Domestic Advantage Dedicated Service

- Access to Domestic Advantage Service is via dedicated outbound or inbound origination.
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SECTION 3 - DESCRIPTION OF SERVICE

3.1. Service Offerings

3.1.4. Standard Service

- Standard Service is available to business and residential Customers who are presubscribed to the Company's network.
- Access to Standard Service is via switched outbound origination.
- Minimum call duration for billing purposes is six (6) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- Rates vary by distance and time of day.

3.1.5. By-Pass Rate Service

- By-Pass Rate Service is available to business Customers only.
- Switched outbound service is provided via special access origination.
- Minimum call duration for billing purposes is six (6) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- Rates vary by distance and time of day.
- Volume discounts may apply.

3.1.6. Fixed Rate Service

- Fixed Rate Service is available to business Customers who are presubscribed to the Company's network.
- Outbound service is provided via switched access origination.
- Rates vary by plan, time of day and calling volume.
- Fixed Rate Service requires a commitment minimum of 2,500 minutes of use per month

3.1.7. Block of Time Calling Plan

- Block of Time Calling Plan Customers receive sixty-six (66) minutes of calling per month.
- The minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher one (1) minute increment.
- Monthly recurring fee applies.

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SECTION 3 - DESCRIPTION OF SERVICE**3.1. Service Offerings****3.1.8. Freedom Service**

- Freedom Service is available to business and residential Customers who are presubscribed to the Company's network.
- Access to Freedom Service is via switched outbound origination.
- Usage rates are time of day and distance sensitive.
- The minimum call duration for billing purposes is one (1) minute. Additional usage is measured and rounded to the next higher one (1) minute increment.
- Monthly recurring fee applies.

3.1.9. Directory Assistance

- Directory Assistance is available to Customers of the Company's long distance services.
- A Directory Assistance Charge applies to each call to the Directory Assistance Bureau.
- One request may be made on each call to Directory Assistance.

3.1.10. Operator Assisted Service Offerings**A. Per Call Service Charges**

In addition to usage sensitive charges, appropriate operator services charges are billed on a per call basis. One of the following charges apply to each operator assisted local or long distance call:

A.1. Customer Dialed Credit/Calling Card Charge

- This charge applies in addition to usage charges for calls billed to a Commercial Credit Card or Calling Card when the Customer dials all of the digits required to route and bill the call.

A.2. Operator Station Charge

- This charge applies in addition to usage charges for calls placed with operator assistance, other than Customer Dialed Credit/Calling Card and Person to Person Calls.

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SECTION 3 - DESCRIPTION OF SERVICE**3.1. Service Offerings****3.1.10. Operator Services (Continued)***A. Per Call Service Charges (Continued)**A.3. Person to Person Charge*

- This charge applies in addition to usage charges for calls placed to a particular party at the destination number.
- Charges do not apply unless the specified party or an acceptable substitute is available.
- Calls may be billed to a third number, credit/calling card, or the called party (collect).

B. Operator Dialed Service Charge

- This charge applies in addition to usage and per call service charges for calls when the Customer has the capability of dialing all the digits necessary to complete the call, but elects to have the operator dial the called station.
- The service charge does not apply to calls when operator dialing is due to technical problems with dialing or for calls placed on behalf of a handicapped person unable to dial the call.

C. Busy Line Verification

- A charge applies for each attempt per line for which the Customer requests busy line verification.

D. Busy Line Interruption

- A charge applies for each attempt to interrupt regardless of whether or not the called station releases the call.
- A Busy Line Verification must be made prior to a Busy Line Interruption and both charges will apply.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1. Service Offerings

3.1.11. 1 (800) WATS Service

A. N-Touch 1

- N-Touch 1 Service is available to business and residential Customers.
- Calls terminate over local exchange company-provided switched access facilities to the Customer's local line.
- Rates do not vary by time of day and distance.

B. N-Touch 2

- N-Touch 2 Service is available to business Customers.
- Calls terminate over dedicated access facilities.
- Rates do not vary by time of day and distance.

C. N-Touch America

- N-Touch America Service is available to business Customers.
- Calls terminate over local exchange company-provided switched access facilities to the Customer's local line.
- Volume discounts and a monthly recurring charge may apply.

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SECTION 3 - DESCRIPTION OF SERVICE**3.1. Service Offerings****3.1.11. 1 (800) WATS Service (Continued)***D. Pro-Touch 1*

- The minimum call duration for billing purposes is thirty (30) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- Plan applies to inbound calls routed directly to the Customer's location via local exchange company-provided Switched Access facilities.

E. Pro-Touch 2

- Pro-Touch Service is available to business Customers.
- Plan applies to inbound calls routed to the Customer's location via local exchange company-provided Special Access facilities.
- Rates are time of day sensitive

F. N-Touch Executive

- N-Touch Executive Service is available to business Customers.
- Calls terminate over local exchange company-provided switched access facilities to the Customer's local line.
- Rates are time of day sensitive.
- Volume discounts may apply.

G. College N-Touch

- College N-Touch Service is available to residential Customers to allow students to call home to parents and families.
- Calls terminate over local exchange company-provided switched access facilities to the Customer's residential line.
- A monthly recurring charge applies.

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SECTION 3 - DESCRIPTION OF SERVICE**3.1. Service Offerings****3.1.12. Travel Card Service**

- Travel Card Service allows Customers to place direct dialed calls from locations other than their normal place of business.
- An 800 access number must be dialed to reach the Carrier.
- A Customer-specific Authorization Code must also be dialed in addition to the destination telephone number.
- Service is available for business customers only.

3.1.13. Private Line Services

- Private Line Services are provided to business customers for the direct transmission of voice, data, and other types of communications.
- Access connection, function connection(s), enhanced diversity routing, avoidance transfer arrangement, multiplexing, customer controlled reconfiguration, access protection capability, echo control, etc., may be provided by the customer, the Company or a third party at a pass through rate of the same price provided to the Company if a third party is used.
- Subject to the availability of personnel, the Company will provide administrative and operational functions related to providing private lines. If personnel and/or consultants services outside the Company system are purchased in providing private lines, these costs will be passed through to the customer at the cost of securing the services, subject to the Customer's approval of using the services and approval of the cost of providing the services.
- All local loop charges will be billed at the applicable tariff rate of the Local Exchange Carrier plus any tariffed installation charges. If Customer requires Carrier to provide any additional equipment for the end loop, that equipment cost would be charged on a negotiated basis.
- Digital service is provided at speeds of 9.6 Kbps, 56 Kbps and 1.544 Mbps.
- Analog service is available as voice grade channels.
- Private Line Services are available twenty-four hours per day, seven days a week.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1. Service Offerings

3.1.14. AddTel SDN

- AddTel SDN is a switched outbound, business service.
- A \$5.00 monthly service fee applies.
- No monthly minimum usage is required.
- Calls are mileage based.
- The minimum call duration for billing purposes is eighteen (18) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.

3.1.15. AddTel DNS

- AddTel DNS is a switched outbound, business service.
- A \$5.00 monthly service fee applies.
- No monthly minimum usage is required.
- Calls are mileage based.
- The minimum call duration for billing purposes is eighteen (18) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.

3.1.16. AddTel SDN Base Calling Card

- The minimum call duration for billing purposes is thirty (30) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- No enhanced services are available.
- No domestic or international surcharges apply.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1. Service Offerings

3.1.17. AddTel Travel Card

- The minimum call duration for billing purposes is eighteen (18) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- Surcharge of \$.45 applies to each domestic calling card call
- Surcharge of \$1.25 applies to each international calling card call.

3.1.18. AddTel Interconnect 800 Card

- Available to Customers with monthly usage in excess of \$500.
- No monthly service charges or per call surcharges apply.
- The minimum call duration for billing purposes is thirty (30) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.

3.1.19. Precision WATS T-1 Dedicated Outbound Service

- Available as a business service nationwide.
- Designed for Customers with greater than \$3,000.00 per month usage.
- Monthly service fee of \$5.00 applies to each bill.
- Dedicated access is available from the Company through the Customer's Local Exchange Carrier at the Local Exchange Carrier's tariffed rates.
- Non-recurring charges depend upon the Local Exchange Carrier's tariffed rates, the subscriber's location and individual subscriber requirements.
- The minimum call duration for billing purposes is six (6) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1. Service Offerings

3.1.20. Precision WATS T-1 Dedicated Inbound Service

- Available as a business service nationwide.
- Designed for Customers with greater than \$3,000.00 per month usage.
- Monthly service fee of \$15.00 per inbound line applies to each bill.
- Dedicated access is available from the Company through the Customer's Local Exchange Carrier at Local Exchange Carrier's tariffed rates.
- Non-recurring charges depend upon the Local Exchange Carrier's tariffed rates, the subscriber's location and individual subscriber requirements.
- The minimum call duration for billing purposes is six (6) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.

3.1.21. Precision WATS Switched Outbound Service

- Available to business customers.
- Monthly service fee of \$5.00 applies.
- Monthly custom code index fee of \$10.00 per code applies.
- The minimum call duration for billing purposes is eighteen (18) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.

3.1.22. Precision WATS Switched Inbound Service

- Available to business customers.
- Monthly service fee of \$5.00 applies.
- The minimum call duration for billing purposes is eighteen (18) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- Monthly custom code index fee of \$15.00 per code applies.

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SECTION 4 - RATES**4.1. Service Pricing****4.1.1. Domestic Advantage Switched Service**

The following rates apply to switched outbound and inbound Domestic Advantage calls. For billing purposes, the minimum call duration is six (6) seconds. Additional usage is measured and rounded to the next higher six (6) second increment.

Monthly Volume	Term Plan	Day Time Rates		Night/Eve/Weekend Rates	
		Initial Six Second Increment	Additional Six Seconds or Fraction	Initial Six Second Increment	Additional Six Seconds or Fraction
(\$)		(\$)	(\$)	(\$)	(\$)
1000+	2 Years	0.0115	0.0115	0.0115	0.0115
501-1000	2 Years	0.0120	0.0120	0.0120	0.0120
251-500	2 Years	0.0125	0.0125	0.0125	0.0125
101-250	2 Years	0.0130	0.0130	0.0130	0.0130
50-100	2 Years	0.0135	0.0135	0.0135	0.0135
1000+	1 Year	0.0140	0.0140	0.0140	0.0140
501-1000	1 Year	0.0145	0.0145	0.0145	0.0145
251-500	1 Year	0.0150	0.0150	0.0150	0.0150
101-250	1 Year	0.0155	0.0155	0.0155	0.0155
50-100	1 Year	0.0160	0.0160	0.0160	0.0160

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SECTION 4 - RATES**4.1. Service Pricing****4.1.2. Domestic Advantage Operator Services**

• OPERATOR SERVICES	Per Call
• Directory Assistance	\$0.70
• Operator Dialed Calling Card	\$3.07
• Operator-Dialed LEC/Commercial CC	\$4.07
• Operator-Assisted Services	
• Collect	\$1.78
• Real-Time-Rated	\$1.78
• Billed to Third Party	\$1.78
• Person-to-Person	\$5.91
• Operator-Dialed Surcharge	\$1.58
UNASSISTED CALL SURCHARGES	
• Customer-Dialed Company Calling Card	\$0.70
• Customer-Dialed LEC/Commercial Calling Card	\$1.60
• Customer-Dialed Coin Sent-Paid	\$2.05

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SECTION 4 - RATES**4.1. Service Pricing****4.1.3. Domestic Advantage Dedicated Service**

The following rates apply to dedicated outbound and inbound Domestic Advantage calls. For billing purposes, the minimum call duration is six (6) seconds. Additional usage is measured and rounded to the next higher six (6) second increment.

Monthly Volume	Term Plan	Day Time Rates		Night/Eve/Weekend Rates	
		Initial Six Second Increment	Additional Six Seconds or Fraction	Initial Six Second Increment	Additional Six Seconds or Fraction
(\$)		(\$)	(\$)	(\$)	(\$)
1000+	2 Years	0.0064	0.0064	0.0064	0.0064
501-1000	2 Years	0.0066	0.0066	0.0066	0.0066
251-500	2 Years	0.0068	0.0068	0.0068	0.0068
101-250	2 Years	0.0070	0.0070	0.0070	0.0070
50-100	2 Years	0.0072	0.0072	0.0072	0.0072
1000+	1 Year	0.0074	0.0074	0.0074	0.0074
501-1000	1 Year	0.0076	0.0076	0.0076	0.0076
251-500	1 Year	0.0078	0.0078	0.0078	0.0078
101-250	1 Year	0.0080	0.0080	0.0080	0.0080
50-100	1 Year	0.0082	0.0082	0.0082	0.0082

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SECTION 4 - RATES**4.1. Service Pricing****4.1.4. Standard Service Usage Charges**

The following rates apply to switched outbound Standard Service calls. For billing purposes, the minimum call duration is six (6) seconds. Additional usage is measured and rounded to the next higher six (6) second increment. Usage rates are shown in this schedule in one (1) minute increments.

Rate Mileage	Day Time Rates		Evening Rates	
	Initial Minute or Fraction (\$)	Additional Minute or Fraction (\$)	Initial Minute or Fraction (\$)	Additional Minute or Fraction (\$)
1-10	.1800	.1080	.1170	.0702
11-16	.2040	.1320	.1326	.0858
17-22	.2400	.1680	.1560	.1092
23-30	.2760	.1920	.1794	.1248
31-40	.3240	.2280	.2106	.1482
41-55	.3600	.2640	.2340	.1716
56-70	.3776	.2950	.2496	.1950
71-124	.3776	.3000	.2730	.2184
125-196	.3900	.3000	.3042	.2340
197-292	.4200	.3200	.3276	.2496
293-Above	.4500	.3400	.3510	.2652

Rate Mileage	Night/Weekend Rates	
	Initial Minute or Fraction (\$)	Additional Minute or Fraction (\$)
1-10	.0720	.0432
11-16	.0816	.0528
17-22	.0960	.0672
23-30	.1104	.0768
31-40	.1296	.0912
41-55	.1440	.1056
56-70	.1536	.1200
71-124	.1680	.1344
125-196	.1872	.1440
197-292	.2016	.1536
293-Above	.2160	.1632

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SECTION 4 - RATES**4.1. Service Pricing****4.1.5. By-pass Service Usage Charges**

The following rates apply to switched outbound By-pass Service calls. For billing purposes, the minimum call duration is six (6) seconds. Additional usage is measured and rounded to the next higher six (6) second increment. Usage rates are shown in this schedule in one (1) minute increments.

Minutes of Use	Day Time Rates (\$)	Evening Rates (\$)	Night/Weekend Rates (\$)
10-2,499	.1894	.1594	.1394
2,500 - 4,999	.1794	.1494	.1294
5,000 - 7,499	.1694	.1394	.1294
7,500 - 9,999	.1594	.1294	.1294
10,000 +	.1494	.1294	.1294

4.1.6. Fixed Rate Service Usage Charges

The following rate plans apply to switched outbound Fixed Rate Service calls. Rates vary by plan, time of day and calling volume. Fixed Rate Service requires a minimum 2,500 monthly minutes of use commitment from the Customer.

A. Plan I

- Minimum call duration for billing purposes is six (6) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment for billing purposes.

Minutes of Use	Day Time Rates (\$)	Evening Rates (\$)	Night/Weekend Rates (\$)
2,500 - 4,999	.1900	.1800	.1700
5,000 - 7,499	.1800	.1700	.1600
7,500 - 9,999	.1700	.1600	.1500
10,000 +	.1600	.1500	.1400

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SECTION 4 - RATES

4.1. Service Pricing

4.1.6. Fixed Rate Service Usage Charges (Continued)

B. Plan II

- Minimum call duration for billing purposes is thirty (30) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment for billing purposes.

Minutes of Use	Day Time Rates (\$)	Evening Rates (\$)	Night/Weekend Rates (\$)
2,500 - 4,999	.1600	.1600	.1600
5,000 - 7,499	.1500	.1500	.1500
7,500 - 9,999	.1400	.1400	.1400
10,000 +	.1300	.1300	.1300

C. Plan III

- Minimum call duration for billing purposes is thirty (30) seconds.
- Additional usage is measured and rounded to the next higher thirty (30) second increment for billing purposes.

Minutes of Use	Day Time Rates (\$)	Evening Rates (\$)	Night/Weekend Rates (\$)
2,500 - 4,999	.1900	.1800	.1700
5,000 - 7,499	.1800	.1700	.1600
7,500 - 9,999	.1700	.1600	.1500
10,000 +	.1600	.1500	.1400

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SECTION 4 - RATES**4.1. Service Pricing****4.1.6. Fixed Rate Service Usage Charges (Continued)***D. Plan IV*

- Minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher one (1) minute increment for billing purposes.

Minutes of Use	Day Time Rates (\$)	Evening Rates (\$)	Night/Weekend Rates (\$)
2,500 - 4,999	.1600	.1600	.1600
5,000 - 7,499	.1500	.1500	.1500
7,500 - 9,999	.1400	.1400	.1400
10,000 +	.1300	.1300	.1300

4.1.7. Block of Time Calling Plan

- Block of Time Calling Plan Customers receive sixty-six (66) minutes of calling per month.
- The minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher one (1) minute increment.
 - Monthly recurring fee: \$10.00
 - Additional usage over the block of time : \$.1443/minute

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SECTION 4 - RATES**4.1. Service Pricing****4.1.8. Freedom Service Usage Charges**

- The minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher one (1) minute increment.
- Monthly recurring fee \$5.00
- Usage rates per minute:

Day	Evening	Night/Weekend
(\$)	(\$)	(\$)
.1600	.1400	.1200

4.1.9. Directory Assistance

- Directory Assistance charge applies to each call to the Directory Assistance Bureau.
- One request may be made per call.
- D. A. charge applies to each call regardless of whether the requested number can be furnished, e.g., unlisted number.

Directory Assistance	Charge Per Call
One request per call	\$0.72

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SECTION 4 - RATES**4.1. Service Pricing****4.1.10. Standard Operator Assisted Service**

- The following rates apply to outbound operator assisted calls placed by Customers of Standard Service.
- Standard Operator Assisted Service includes calls using the Company's network that are placed by transient End Users from Subscriber locations.

A. Intrastate Usage Charges

- Minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher full minute increment for billing purposes.
- No time of day or holiday discounts apply.

Rate Mileage	Initial Minute or Fraction	Each Additional Minute or Fraction
	(\$)	(\$)
1-10	.1800	.1080
11-16	.2040	.1320
17-22	.2400	.1680
23-30	.2760	.1920
31-40	.3240	.2280
41-55	.3600	.2640
56-70	.3776	.2950
71-124	.3776	.3000
125-196	.3900	.3000
197-292	.4200	.3200
293-Over	.4500	.3400

B. Per Call Service Charges:

Description	Non-Local
Customer Dialed Calling/Credit Card	\$0.80
Operator Dialed Station-to-Station	\$2.05
Operator Assisted Billed to Third Party	\$2.11
Operator Dialed Person-to-Person	\$3.50

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SECTION 4 - RATES**4.1. Service Pricing****4.1.11. Discount Operator Assisted Service**

- The following rates apply to outbound operator assisted calls made by Discount Service Customers using the Company's network.
- Discount Service is available to presubscribed Customers of intrastate direct dial long distance plans.
- The minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher full minute increment.

A. Intrastate Usage Charges

Rate Mileage	Day Time Rates		Evening Rates		Night/Weekend Rates	
	Initial Minute	Additional Minute	Initial Minute	Additional Minute	Initial Minute	Additional Minute
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1-10	.1800	.1080	.1170	.0702	.0720	.0432
11-16	.2040	.1320	.1326	.0858	.0816	.0528
17-22	.2400	.1680	.1560	.1092	.0960	.0672
23-30	.2760	.1920	.1794	.1248	.1104	.0768
31-40	.3240	.2280	.2106	.1482	.1296	.0912
41-55	.3600	.2640	.2340	.1716	.1440	.1056
56-70	.3776	.2950	.2496	.1950	.1536	.1200
71-124	.3776	.3000	.2730	.2184	.1680	.1344
125-196	.3900	.3000	.3042	.2340	.1872	.1440
197-292	.4200	.3200	.3276	.2496	.2016	.1536
293-Over	.4500	.3400	.3510	.2652	.2160	.1632

B. Intrastate Per Call Service Charges

Description	Non-Local
Customer Dialed Calling/Credit Card	\$0.80
Operator Dialed Station-to-Station	\$2.05
Operator Assisted Billed to Third Party	\$2.11
Operator Dialed Person-to-Person	\$3.50

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SECTION 4 - RATES**4.1. Service Pricing****4.1.12. Inmate Operator Assisted Service**

The following rates apply only to collect intrastate calls placed by inmates of prisons, jails or other confinement institutions using the Company's network.

A. Intrastate Usage Charges

- The minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher full minute increment for billing purposes.

Rate Mileage	Initial Minute or Fraction	Each Additional Minute or Fraction
	(\$)	(\$)
1-10	.1800	.1080
11-16	.2040	.1320
17-22	.2400	.1680
23-30	.2760	.1920
31-40	.3240	.2280
41-55	.3600	.2640
56-70	.3776	.2950
71-124	.3776	.3000
125-196	.3900	.3000
197-292	.4200	.3200
293-Over	.4500	.3400

B. Intrastate Per Call Service Charges:

Description	Non-Local
Operator Assisted Collect Call Charge	\$2.05

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SECTION 4 - RATES

4.1. Service Pricing

4.1.12. Inmate Operator Assisted Service (Continued)

C. Local Usage Charges

Description	Local
Usage Charge Per Call	\$0.25

D. Local Per Call Service Charges:

Description	Local
Operator Dialed Collect Call Charge	\$1.30

E. Operator Dialed Service Charge

Description	
Operator Dialed Service Charge	\$0.90

F. Busy Line Verification

A charge applies for each attempt per line for which the Customer requests busy line verification.

Description	
Charge per Verification Request	\$0.90

G. Busy Line Interruption

A charge applies for each attempt to interrupt regardless of whether or not the called station releases the call. A Busy Line Verification must be made prior to a Busy Line Interruption and both charges will apply.

Description	
Charge per Interruption Request	\$2.40

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SECTION 4 - RATES**4.1. Service Pricing**

The following rate plans apply to inbound service provided to Customers who utilize the Company's network. Rates vary by plan. Volume discounts may apply.

4.1.13. 1 (800) WATS Services**A. N-Touch 1**

- The minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher one (1) minute increment.

Usage Rates Per Minute		
Day	Evening	Night/Weekend
(\$)	(\$)	(\$)
.2495	.2495	.2495

B. N-Touch 2

- The minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher one (1) minute increment.

Usage Rates Per Minute		
Day	Evening	Night/Weekend
(\$)	(\$)	(\$)
.2000	.2000	.2000

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SECTION 4 - RATES**4.1. Service Pricing**

The following rate plans apply to inbound service provided to Customers who utilize the Company's network. Rates vary by plan. Volume discounts may apply.

4.1.13. 1 (800) WATS Services (Continued)*C. N-Touch America*

- The minimum call duration for billing purposes is thirty (30) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- Volume discounts may apply.
- Monthly recurring fee: \$10.00

Minutes of Use	Rate Per Minute (\$)
0 - 500	.2495
501 - 1,000	.1996
1,001 - 5,000	.1871
5,001 - Over	.1746

D. N-Touch Executive

- The minimum call duration for billing purposes is thirty (30) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.
- A monthly fee applies.
- Monthly recurring fee: \$5.00

Usage Rate Per Minute		
Day	Evening	Night/Weekend
(\$)	(\$)	(\$)
.1900	.1600	.1600

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SECTION 4 - RATES**4.1. Service Pricing**

The following rate plans apply to inbound service provided to Customers who utilize the Company's network. Rates vary by plan. Volume discounts may apply.

4.1.13.1 (800) WATS Services (Continued)*E. Pro Touch Service*

- The minimum call duration for billing purposes is thirty (30) seconds.
- Additional usage is measured and rounded to the next higher six (6) second increment.

1. Switched Access Termination

The following rate plan applies to inbound calls routed directly to the Customer's existing local exchange line via local exchange provided Switched Access Termination.

Usage Rates Per Minute		
Day	Evening	Night/Weekend
(\$)	(\$)	(\$)
.2050	.1600	.1600

2. Special Access Termination

The following rate plan applies to inbound calls routed to the Customer's location via local exchange company provided Special Access facilities.

Usage Rates Per Minute		
Day	Evening	Night/Weekend
(\$)	(\$)	(\$)
.1694	.1594	.1594

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SECTION 4 - RATES**4.1. Service Pricing**

The following rate plans apply to inbound service provided to Customers who utilize the Company's network. Rates vary by plan. Volume discounts may apply.

4.1.13. 1 (800) WATS Services (Continued)*G. College N-Touch Service*

- The minimum call duration for billing purposes is one (1) minute.
- Additional usage is measured and rounded to the next higher one (1) minute increment.
- A monthly fee applies.
- Monthly Recurring Charge \$5.00

Usage Rates Per Minute		
Day	Evening	Night/Weekend
(\$)	(\$)	(\$)
.2495	.2495	.2495

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SECTION 4 - RATES**4.1. Service Pricing**

The following rates apply to intrastate Travel Card Calls. The minimum call duration for billing purposes is one (1) minute. Additional usage is measured and rounded to the next one (1) minute increment. Usage rates vary by time of day and call volume.

4.1.14. Plan I Travel Card

Plan I Travel Card Service is available to Customers who subscribe to Fixed Rate Service, By-Pass Service or those whose aggregate Travel Card Volume per account exceeds 2,500 minutes per month.

Day Time		Evening		Night/Weekend	
1 st Minute	Add. Min.	1 st Min.	Add. Min.	1 st Min.	Add. Min.
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
.2300	.2300	.2300	.2300	.2300	.2300

4.1.15. Plan II Travel Card

Plan II Travel Card Service is available to all other Customers of long distance service.

Day Time		Evening		Night/Weekend	
1 st Minute	Add. Min.	1 st Min.	Add. Min.	1 st Min.	Add. Min.
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
.3500	.3500	.3500	.3500	.3500	.3500

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SECTION 4 - RATES**4.1. Service Pricing****4.1.16. Private Line Services***A. 9.6 KBPS Digital Data Service Rates*

	Monthly	Monthly	
	Recurring	Recurring	Non-Recurring
Mileage	Fixed	Per Mile	Charge
1-4	\$110.00	\$0.45	\$300.00
5-8	\$110.00	\$0.45	\$300.00
9-25	\$110.00	\$0.45	\$300.00
26-50	\$110.00	\$0.45	\$300.00
50+	\$110.00	\$0.45	\$300.00

B. 56 KBPS Digital Data Service Rates

	Monthly	Monthly	
	Recurring	Recurring	Non-Recurring
Mileage	Fixed	Per Mile	Charge
1-4	\$220.00	\$0.75	\$350.00
5-8	\$220.00	\$0.75	\$350.00
9-25	\$220.00	\$0.75	\$350.00
26-50	\$220.00	\$0.75	\$350.00
50+	\$220.00	\$0.75	\$350.00

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SECTION 4 - RATES**4.1. Service Pricing****4.1.16. Private Line Services (Continued)***C. Voice Grade Private Line Service Rates*

	Monthly	Monthly	
	Recurring	Recurring	Non-Recurring
Mileage	Fixed	Per Mile	Charge
1-4	\$55.00	\$1.40	\$300.00
5-8	\$55.00	\$1.40	\$300.00
9-25	\$55.00	\$1.40	\$300.00
26-50	\$55.00	\$1.40	\$300.00
50+	\$55.00	\$1.40	\$300.00

D. 1.544 MBPS Digital Data Service Rates

	Monthly	Monthly	
	Recurring	Recurring	Non-Recurring
Mileage	Fixed	Per Mile	Charge
1-4	\$350.00	\$20.00	\$1,100.00
5-8	\$350.00	\$20.00	\$1,100.00
9-25	\$350.00	\$20.00	\$1,100.00
26-50	\$350.00	\$20.00	\$1,100.00
50+	\$350.00	\$20.00	\$1,100.00

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SECTION 4 - RATES**4.1. Service Pricing****4.1.17. AddTel SDN**

Rate Mileage	Day Time Rates		Evening Rates		Night/Weekend Rates	
	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0-292	.0870	.0220	.0696	.0176	.0696	.0176
293-430+	.0960	.0240	.0768	.0192	.0768	.0192

4.1.18. AddTel DNS

Rate Mileage	Day Time Rates		Evening Rates		Night/Weekend Rates	
	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0-9000	.0696	.0232	.0624	.0208	.0624	.0208

4.1.18. AddTel SDN Base Calling Card

Rate Mileage	Day Time Rates		Evening Rates		Night/Weekend Rates	
	First 30 Sec.	Add. 6 Sec.	First 30 Sec.	Add. 6 Sec.	First 30 Sec.	Add. 6 Sec.
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0-9000	.0480	.0160	.0480	.0160	.0480	.0160

4.1.19. AddTel Travel Card

Rate Mileage	Day Time Rates		Evening Rates		Night/Weekend Rates	
	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0-9000	.0597	.0199	.0597	.0199	.0597	.0199

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SECTION 4 - RATES**4.1. Service Pricing****4.1.20. AddTel Interconnect 800 Card**

Rate Mileage	Day Time Rates		Evening Rates		Night/Weekend Rates	
	First 30 Sec.	Add. 6 Sec.	First 30 Sec.	Add. 6 Sec.	First 30 Sec.	Add. 6 Sec.
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0-9000	.0450	.0150	.0450	.0150	.0450	.0150

4.1.21. Precision WATS T-1 Dedicated Outbound Service

Monthly Volume	Term Plan	Day Time Rates		Night/Eve/Weekend Rates	
		Initial Six Second Increment	Additional Six Seconds or Fraction	Initial Six Second Increment	Additional Six Seconds or Fraction
		(\$)	(\$)	(\$)	(\$)
5500+	2 Years	0.0085	0.0085	0.0085	0.0085
5000-5499	2 Years	0.0090	0.0090	0.0090	0.0090
4000-4999	2 Years	0.0095	0.0095	0.0095	0.0095
3500-3999	2 Years	0.0100	0.0100	0.0100	0.0100
3000-3499	2 Years	0.0105	0.0105	0.0105	0.0105

4.1.22. Precision WATS T-1 Dedicated Inbound Service

Monthly Volume	Term Plan	Day Time Rates		Night/Eve/Weekend Rates	
		Initial Six Second Increment	Additional Six Seconds or Fraction	Initial Six Second Increment	Additional Six Seconds or Fraction
		(\$)	(\$)	(\$)	(\$)
5000+	2 Years	0.0085	0.0085	0.0085	0.0085
4000-4999	2 Years	0.0090	0.0090	0.0090	0.0090
3500-3999	2 Years	0.0100	0.0100	0.0100	0.0100
3000-3499	2 Years	0.0105	0.0105	0.0105	0.0105

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SECTION 4 - RATES**4.1. Service Pricing****4.1.23. Precision WATS Switched Outbound Service**

Monthly Volume	Day Time Rates		Evening Rates		Night/Weekend Rates	
	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0-9.99	.0435	.0145	.0435	.0145	.0435	.0145
10.-49.	.0417	.0139	.0417	.0139	.0417	.0139
50.-199.	.0405	.0135	.0405	.0135	.0405	.0135
200.-399.	.0387	.0129	.0387	.0129	.0387	.0129
400+	.0375	.0125	.0375	.0125	.0375	.0125

4.1.24. Precision WATS Switched Inbound Service

Monthly Volume	Day Time Rates		Evening Rates		Night/Weekend Rates	
	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.	First 18 Sec.	Add. 6 Sec.
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0-9.99	.0435	.0145	.0435	.0145	.0435	.0145
10.-49.	.0417	.0139	.0417	.0139	.0417	.0139
50.-199.	.0405	.0135	.0405	.0135	.0405	.0135
200.-499.	.0387	.0129	.0387	.0129	.0387	.0129
500+	.0375	.0125	.0375	.0125	.0375	.0125

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SECTION 5 - SPECIAL PROMOTIONS

Promotional offerings of reduced rates or waiver of rates for limited periods of time may be offered at the discretion of the Company providing that a copy of any promotional offering is filed with the Arizona Corporation Commission in prescribed form of the Commission at least thirty (30) days prior to the offering. Such filing shall contain a description of the promotional offering, the starting date and the length of time it will be available.

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P. O. Box 441085
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(800) 725-5575**

Effective:

ATTACHMENT C

**Call Access and Call Completion Network Diagram
(Not Applicable)**

ATTACHMENT D

**Financial Information
for
USC TELECOM, INC.
(A Delaware Corporation)**

**SUBSIDIARY OF
EQUALNET COMMUNICATIONS CORP.
(A Texas Corporation)**

**FORM 10-K
AS AMENDED**

**Annual Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

For the fiscal year ended June 30, 1997

Commission file number 0-25842

**Equalnet Communications Corp.
f/k/a EqualNet Holding Corp.**